

January 11, 2001

Order Pursuant to Section 202(c) of the Federal Power Act

Pursuant to Section 202(c) of the Federal Power Act (16 U.S.C. 824a(c)) and 10 C.F.R. § 205.370, in this order I consider the question of whether an emergency exists in California by reason of a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, and whether to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as will best meet the emergency and serve the public interest. Because of a shortage of currently operational electric generation facilities, a shortage of water used to generate electricity, unusual volatility of electricity and natural gas markets, and for other reasons, California is experiencing an unexpected shortage of electric energy. Therefore, pursuant to Section 202(c) of the Federal Power Act, I find an emergency exists in California by reason of the shortage of electric energy.

Accordingly, I hereby order the entities listed in Attachment A to make arrangements to generate, deliver, interchange, and transmit electric energy when, as, and in such amounts as may be requested by the California Independent System Operator (California ISO), acting as agent for and on behalf of Scheduling Coordinators (as that term is defined in the California ISO tariff on file at the Federal Energy Regulatory Commission), consistent with the terms of this orders. On December 14, 2000, I issued a similar emergency order, subsequently amended, under Section 202(c) of the Federal Power Act due to a shortage of electricity in California on December 14, 2000 ¹ The entities listed in Attachment A are only required to sell electricity to the California.

¹ That emergency order was extended and modified on December 20, 2000, extended again on December 27, 2000, and further extended and modified on January 5, 2001. The original December 14, 2000, emergency order and the December 20, 2000, amended order were published in the Federal Register on December 29, 2000 (65 FR 82989). The December 27, 2000, and the January 5, 2001, amendments have not been published to date. The December 14, 2000, as amended, emergency order expired at 3:00, a.m., EST, January 11, 2001.

ISO that is available in excess of electricity needed by each entity to render service to its firm customers.

This order is effective immediately and expires at 3:00 a.m., EST, January 18, 2001, unless altered or revoked by further order. However, the entities in Attachment A are not required to deliver energy or services under the terms of this order until eight hours after the California ISO has filed with the Department of Energy (DOE), pursuant to Ordering Paragraph D of this order, a signed certification that it has been unable to acquire in the market adequate supplies of electricity to meet system demand, and, as a consequence, it has, or reasonably anticipates, an "inadequate fuel or energy supply" as defined in 10 C.F.R. § 205.375.

Although I find by this order that an emergency exists in California which needs to be addressed immediately, I am concerned that requiring emergency deliveries of energy or services to California will put severe strains on electric resources in the western United States and may adversely effect the ability of these resources to provide service to consumers outside of California. It is imperative that the State of California and all California consumers make the maximum effort to reduce electricity use and conserve power. Therefore, the now expired December 14, 2000, emergency order, as amended, required the California ISO to submit to the Department of Energy a certification by a responsible official of the State of California that the state will initiate a program to reduce peak load electricity consumption by at least 5 % by 3:00 a.m., EST, January 16, 2001. On January 11, 2001, the Secretary of the California State and Consumers Services Agency submitted a certification that the state "will initiate a program to reduce peak load electricity consumption by at least five percent by 3:00 a.m., EST, January 16, 2001." This submission satisfies the initial requirement contained in the December 14, 2000, emergency order, as amended. In addition, I am requiring the California ISO to submit a progress report on the state program to reduce peak load electricity use from a responsible state official by 5:00 p.m., EST, January 16, 2001. Further, I am requiring the California ISO, at the time it submits a certification under Ordering Paragraph D of this order, to notify the Department of Energy (DOE) that it has implemented for the twenty-four hour certification period the conservation measures, not including curtailments of interruptible customers, specified for Stage One and Stage Two emergencies as defined in the California ISO's tariff on file with the Federal Energy Regulatory Commission.

In order to continue to avail itself of this order, the California ISO is required to submit to DOE a further certification of inadequate fuel or energy supplies, and implementation of conservation measures, as set forth above, every twenty-four hours until the expiration of this order. The California ISO shall provide a signed copy of all certifications to the entities in Attachment A at the time it provides them to DOE.

The California ISO may request, at the time of certification from the entities from which it is seeking energy and services, information on the availability of resources subject to the order. This information must be supplied to the California ISO within 6 hours of certification. In making requests for power

pursuant to this order, to the extent feasible, the California ISO is directed to allocate those requests among the entities listed in Attachment A in proportion to each entity's available excess power.

The terms of any arrangement made between the entities subject to this order and the California ISO pursuant to this order are to be as agreed to by the parties. If no agreement as to terms can be reached, I will immediately prescribe the conditions of service and the rate issue will be referred to the Federal Energy Regulatory Commission (FERC) pursuant to 10 C.F.R. §205.3760.²

If arrangements made pursuant to this order are referred to FERC for a determination of the rate issue, I urge FERC to consider that what is a just and reasonable rate under normal market conditions may not be just and reasonable during times of emergency supply constraints. On the other hand, the rate cannot be confiscatory. Suppliers of energy or services must be allowed to recover the legitimate and verifiable costs incurred in providing the energy or service, plus a reasonable rate of return.

ORDER

For the reasons set forth above, pursuant to Section 202(c) of the Federal Power Act, it is ordered that:

- A. Consistent with the requirements set forth below, the entities listed on Attachment A will make arrangements to generate, deliver, interchange, and transmit electric energy when, as, and in such amounts as may be requested by the California Independent System Operator (California ISO), acting as agent for and on behalf of Scheduling Coordinators (as that term is defined in the California ISO tariff on file at the Federal Energy Regulatory Commission).
- B. The entities listed in Attachment A are only required under the terms of this order to sell electricity to the ISO that is available in excess of electricity needed by each entity to render service to its firm customers.
- C. This order is effective immediately and expires at 3:00 a.m., EST, January 18, 2001, unless altered or revoked by further order.
- D. The entities in Attachment A are not required to deliver energy or services under the terms of this order until eight (8) hours after the California ISO has filed with the Department of Energy

² I am eliminating the condition of service, prescribed in the January 5, 2001, amendment to the December 14, 2000, emergency order, that the rate the California ISO can agree to under any arrangement made between the entities subject to this order and the California ISO cannot exceed \$64 per megawatt hour in order to allow maximum flexibility under the current circumstances.

(DOE) a signed certification that it has been unable to acquire in the market adequate supplies of electricity to meet system demand, and, as a consequence, it has, or reasonably anticipates, an “inadequate fuel or energy supply” as defined in 10 C.F.R. § 205.375. In addition, the California ISO at the time it submits a certification under this Ordering Paragraph D must notify the Department of Energy (DOE) that it has implemented for the twenty-four hour certification period the conservation measures, not including curtailments of interruptible customers, specified for Stage One and Stage Two emergencies as defined in the California ISO’s tariff on file with the Federal Energy Regulatory Commission. Further, the California ISO is required to submit a progress report on the state program to reduce peak load electricity use from a responsible state official by 5:00 p.m., January 16, 2001. In order to continue to avail itself of this order, the California ISO is required to submit to DOE a further certification as set forth above every twenty-four hours until the expiration of the order. Certifications and other required submissions should be sent to Paul Carrier, Department of Energy, Office of Energy Emergencies, Office of Policy, PO-5, 1000 Independence Avenue, S. W., Washington, D.C. 20585, (202) 586-5659, fax: (202) 586-5391, e-mail: Paul.Carrier@hq.doe.gov. The California ISO shall provide a copy of all certifications to the entities in Attachment A at the time it provides them to DOE.

- E. The California ISO must seek information on the availability of energy or services from entities subject to the terms of this order, from which the California ISO seeks to obtain energy or services, at the time of certification and the entities must respond within 6 hours. In making requests for power pursuant to this order, to the extent feasible, the California ISO is directed to allocate those requests among the entities listed in Attachment A in proportion to each entity’s available excess power.
- F. The terms of any arrangement made between the entities subject to this order and the California ISO pursuant to this order are to be as agreed to by the parties. If no agreement as to terms can be reached, I will immediately prescribe the conditions of service and the rate issue will be referred to the Federal Energy Regulatory Commission (FERC) pursuant to 10 C.F.R. §205.3760.

Issued in Washington, D. C., on January 11, 2001

Bill Richardson
Secretary

ATTACHMENT A

Organization

American Electric Power Services 5555 San Felipe, Ste. 2000 Houston, TX 77056
Aquila Power Corporation 10750 E 350 Highway Kansas City, MO 64138
Arizona Electric Power Cooperative
Arizona Public Service Company 400 North Fifth Street Phoenix, AZ 85005
Automated Power Exchange, Inc. 5201 Great America Parkway, Suite 522 Santa Clara, CA 95054

Avista Energy
201 W. North River Dr., Ste. 610 Spokane,
WA 99201

Bonneville Power Administration
PO Box 3621
Portland, OR 97208-3621

**California Dept. of Water
Resources**
3310 El Camino Ave, Ste. 300
Sacramento, CA 95821

California Polar Brokers, LLC
150 Spear Street, Ste. 725
San Francisco, CA 94105

California Power Exchange
1000 S. Fremont Ave., Bldg. A9 West
Alhambra, CA 91803

Cargill-Alliant, LLC
12700 Whitewater Drive
Minnetonka, MN 55344

Citizens Power Sales

160 Federal Street

Boston, MA 02110

City of Anaheim

201 S, Anaheim Blvd., Ste. 802

Anaheim, CA 92805

City of Azusa

729 No. Azusa Ave.

Azusa, CA 91702

City of Banning

99 East Ramsey Ave.

Banning, CA 92220

**City of Burbank, Public Service
Department**

164 West Magolia Blvd.

Burbank, CA 91502

City of Glendale**City of Pasadena**

45 E. Glenarm Ste..

Pasadena, CA 91105

City of Riverside 3900 Main Street Riverside, CA 92522
City of Seattle, City Light Department 700 5th Avenue, Ste. 330 Seattle, WA 98104
City of Shasta Lake Post Office Box 777, Shasta Lake, CA 96019-0777
City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058
Colorado River Storage Project (CRSP) 1800 S. Rio Grand Avenue, Montrose, CO 81401
Constellation Power Source 111 Market Place, Suite 500 Baltimore, MD 21202
Coral Power, L.L.C. 4320 La Jolla Village Drive Ste. 250 San Diego, CA 92122

Duke Energy Trading & Marketing, L.L.C. 4 Triad Center, Ste. 1000 Salt Lake City, UT 84180
Dynegy Power Marketing Inc. (formerly Electric Clearinghouse) 1000 Louisiana, Ste. 5800 Houston, TX 77002-5006
Edison Mission Marketing & Trading, Inc. 18101 Von Karmen, Ste. 1700 Irvine, CA 92612
Edison Source 13191 Crossroads Parkway N. City of Industry, CA 91746
El Paso Electric Company 123 W. Mills, El Paso, TX 79901
El Paso Merchant Energy 1001 Louisiana Houston, TX 77002

Enron Energy Services PO Box 1188 Houston, TX 77251-1188
Enron Power Marketing, Inc. 121 S.W. Salmon Street, 3WTC-0306 Portland, OR 97204
FPL Energy Power Marketing, Inc. 11770 US Highway One South Tower, 4th Floor North Palm Beach, FL 33408
Grant County Public Utility District 30 C Street SW Ephrata WA 98823
Hafslund Energy Trading 101 Elliot Ave, Seattle, WA 98119
Idaho Power Company 1221 West Idaho Street Boise, ID 83707
Illinova Energy Partners, Inc. 1420 Kenningston Road, Ste. 305 Oak Brook, IL 60523

Koch Energy Trading, Inc.
20 E. Greenway Plaza (PO Box 1478)
Houston, TX 77046

LA Department of Water & Power
111 North Hope Street
Los Angeles, CA 90012

LG & E Energy Marketing, Inc.
220 West Main Street
Louisville, KY 40202

Merchant Energy Group of the Americas (MEGA)
151 West Street, Ste. 300
Annapolis, MD 21401

Mieco, Inc.
301 East Ocean Blvd., Ste. 1100
Long Beach, CA 90802-4832

Modesto Irrigation District
1231 11th Street
Modesto, CA 95354

Nevada Power Company
PO Box 230, MX #20, Attn: Energy
Accounting, Las Vegas, NV 89151

New Energy Inc. 535 Boylston St. Boston, MA 02116
Northern California Power Agency 180 Cirby Way Roseville, CA 95678
PacifiCorp 9951 SE Ankeny Portland, OR 97216
PacifiCorp Power Marketing, Inc. 830 NE Holladay Street, Suite 200 Portland, OR 97232
PECO 2004 Renaissance Blvd. King of Prussia, PA 19406
PG & E 77 Beale Street, Bldg. 23A San Francisco, CA 94105

PG & E Energy Trading 7500 Georgetown Road, 14th Floor Bethesda, MD 20814
Portland General Electric Company 121 SE Salmon Street Portland, OR 97204
Power Resource Managers, LLC 2100 112th Avenue NE, Ste. 100, Bellevue, WA 98004-2911
PP&L Montana 45 Basin Creek Road Butte, MT 59701

Public Service Company of Colorado (New Century Energies) 1099 18th Street,Suite 3000 Denver, CO 80202
Public Service Company of New Mexico Alvarado Square, MS-EP11, Albuquerque, NM 87158
Public Utility District No.1 of Douglas County 1151 Valley Mall Parkway, E. Wenatchee, WA 98802
Puget Sound Energy 411 108th Avenue NE Bellevue, WA 98009
Reliant Energy Services P.O. Box 4455 Houston, TX 77210-4455
Sacramento Municipal Utilities District 6308 S Street, P.O. Box 15830, Sacramento, CA 95852-1830

Salt River Project PO Box 52025 Phoenix, AZ 85072-2025
San Diego Gas & Electric 101 Ash Street San Diego, CA 92101
Sempra Energy Trading 58 Commerce Road Stamford, CT 06902
Sierra Pacific Power Co. 6100 Neil Road PO BOX 10100 Reno, NV 89520-0004
Silicon Valley Power (City of Santa Clara) 1500 Warburton Ave. Santa Clara, CA 95050
Southern California Edison 2244 Walnut Grove Avenue, Rosemead, CA 91770

Southern Company Energy Marketing 900 Ashwood Parkway, Ste. 490 Atlanta, GA 30338-4780
Strategic Energy Ltd. 2 Gateway Center Pittsburgh, PA 15222
Tacoma City Light 3628 South 35th Street, Tacoma. WA 98409
Tucson Electric Power 220 W. Sixth, PO Box 711, Tuscan, AZ 85702
Washington Water Power PO Box 3727, Spokane, WA 99220
Western Area Lower Colorado[*] PO Box 6457, Phoenix, AZ 85005- 6457
Western Area Power Administration (WAPA) 114 Parkshore Drive Folsom, CA 95630

**Williams Energy Marketing and
Trading**

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Energy Resource Center
Tulsa, OK 74172